

**REPORT ON PUBLIC HEARINGS
GENERAL SCRAP & CAR SHREDDER LTD.
REVIEW OF ENVIRONMENT ACT
LICENCE 898VC**

**MANITOBA CLEAN ENVIRONMENT COMMISSION
JUNE, 1992**

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PREFACE

This document contains a selected summation of the evidence presented at the public hearings convened by the Manitoba Clean Environment Commission to review the matter which is the subject of this report.

A detailed account of the evidence presented before the Commission is contained in the Verbatim Transcript of the hearing, which is available for review at designated Public Registry locations. A list of hearing participants along with a list of the Exhibits filed at the hearing has been included in this report as Appendix "A" and Appendix "B", respectively. All Exhibits tendered at the hearing are available for public viewing at the Commission office.

THE CLEAN ENVIRONMENT COMMISSION

Under *The Environment Act* (1988), the Clean Environment Commission provides a process for the public to participate in the environmental decision making process in Manitoba. The Commission also provides the Environment Minister with advice and recommendations on environmental issues and on environmental licensing matters.

Commission membership includes a full-time Chairperson and a maximum of 10 part-time commissioners appointed by Order in Council. Members come from a wide variety of occupations and reside in various regions of Manitoba.

THE PUBLIC HEARING PROCESS

Public participation in Manitoba's environmental decision-making process has been facilitated by Clean Environment Commission hearings since the establishment of *The Clean Environment Act* in 1968. This basic role and responsibility of "developing and maintaining public participation in environmental matters" continues under *The Environment Act* of 1988. The primary mechanism used in achieving this has been public hearings.

In order to facilitate and encourage public participation, the Commission has tailored procedures to accomplish this goal. Hearings are held in the community where the development under consideration is located, as well as in other centres where interest is high or where environmental impact is sufficient to provide an interest for individuals or environmental groups located elsewhere.

The Commission strives to ensure that the evidence and opinions of all presenters is treated fairly and with due respect and consideration.

GENERAL SCRAP & CAR SHREDDER LTD.

On May 28, 1991, the Minister of Environment requested that, as per Clause 8 of Environment Act Licence 898VC, the Clean Environment Commission convene a hearing to review the provisions of that Licence, and the current operations of General Scrap and Car Shredder Ltd. Notice of the hearing was given by the Commission and the hearing was convened on March 18, 1992 at the East Kildonan-Transcona Community Office in the City of Winnipeg. The panel consisted of Dale Stewart, Chairman and Commissioners Ed Gramiak, Betty Pawlicki and David Woytowich.

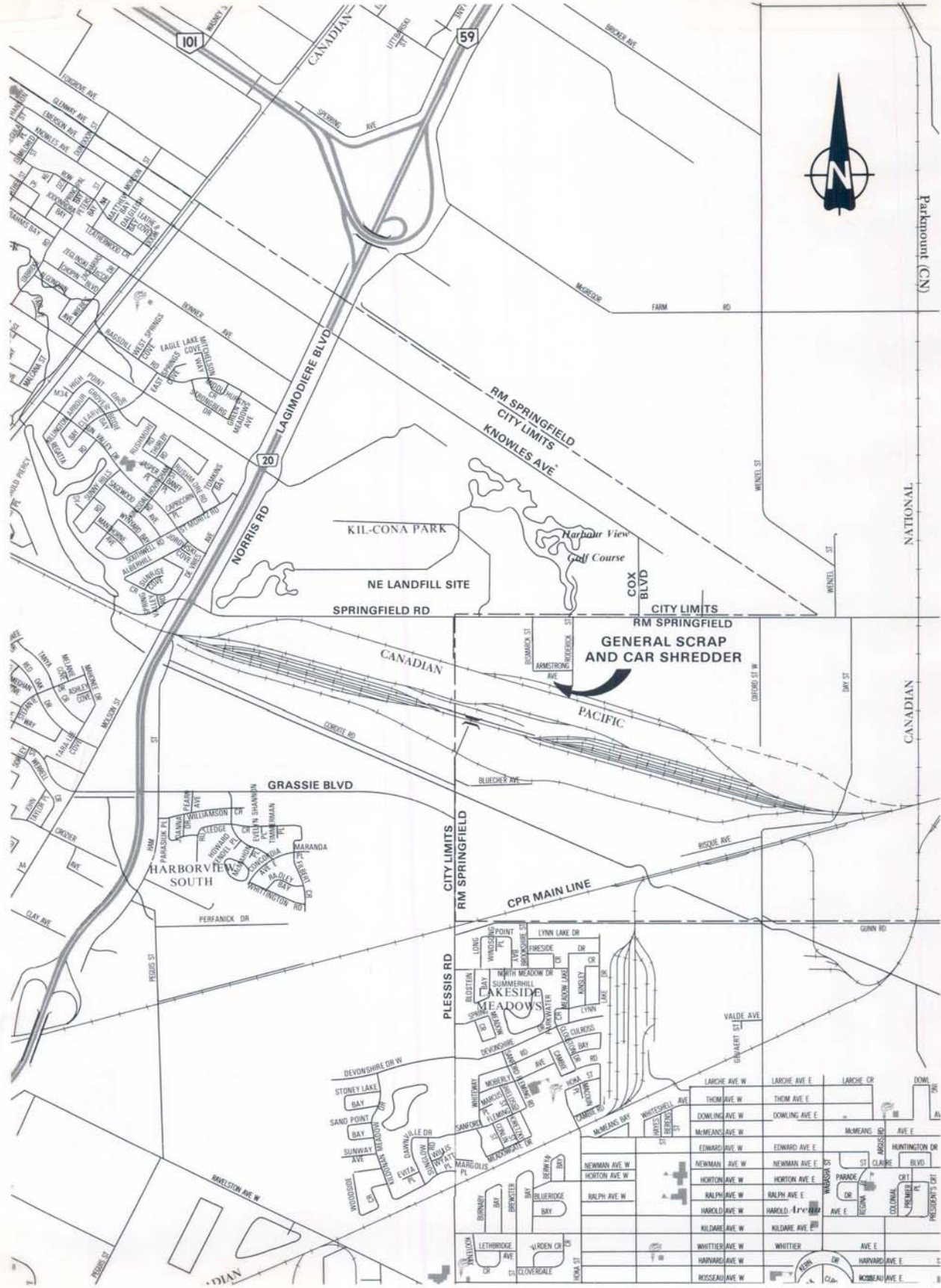
The hearing was re-convened at the same location on April 13, 1992 in order to allow an opportunity for further questioning of the Representatives from the Department of Environment. A total of 54 people registered during the hearing.

BACKGROUND

General Scrap & Car Shredder Ltd. (the Shredder) is located on Section 17-11-4E in the Rural Municipality of Springfield on land zoned M2 industrial. The Shredder has operated more or less continuously since 1967. The location is as shown on Figure 1. Adjacent to the Shredder are principally metal scrap dealers and auto salvage yards and a Canadian Pacific Railways (CPR) facility.

The City of Winnipeg boundary is less than 0.5 km north and west of the Shredder operation. There are a number of homes located along Cox Road, Norris Road and Knowles Avenue within 2 kilometres of the Shredder. These residences are within The City of Winnipeg boundary. Lakeside Meadows is a major Winnipeg subdivision located 1 km south of the Shredder site. Harbor View South and Grassie North are Winnipeg subdivisions just in excess of 1 km southwest of the Shredder. Harbor View Golf Course and Recreation Complex is located on Springfield Road north of the Shredder. This and adjacent property is the site of the former City of Winnipeg landfill. The topographic relief at the former landfill site acts as a buffer for the Shredder and auto salvage yards for the area north. At one time, the CPR operated a marshalling yard and a hump south of the Shredder which serves, in part, as a shield for the area to the south. A former North Kildonan landfill site along Cordite Road southwest of the Shredder also serves as a buffer for residences to the southwest of the Shredder.

FIGURE 1 - SITE LOCATION



The Shredder currently operates under an Environment Act Licence originally issued as an Order by The Clean Environment Commission on March 25, 1988. Prior to the issuance of this licence, a previous licence had been issued to the Shredder in 1980. In 1987, as a result of numerous complaints from residents due to noise and shock waves resulting from explosions at the site of the Shredder, the Minister of Environment ordered a review of the 1980 licence.

The principal provisions of the 1988 Environment Act Licence issued to General Scrap and Car Shredder Ltd. include provisions for dust control, seepage and surface flow prevention, a ban on open burning, and a vigilant and thorough inspection and record keeping program to discover potentially explosive components prior to shredding activities.

GENERAL SCRAP AND CAR SHREDDER LTD.

The proponent indicated that, currently, there are 30 - 40,000 cars shredded at the General Scrap and Car Shredder facility per year. Approximately 75% of the volume is in the form of automobile hulks. Dependent upon supply and demand, the Shredder was operated on the basis of one or two shifts per day, with operations ceasing no later than 11:00 p.m.

The Shredder commenced operation in 1967, originally burning-out old railway cars and automobiles prior to torch-cutting and shredding. An air movement system, similar to that used in a vacuum cleaner, was subsequently installed to eliminate the need for burning-out the automobile hulks. (The burning-out of railway cars had been discontinued earlier.) The lighter dust particles such as that from upholstery are removed in a mechanical dust collector known as a cyclone. Material from the cyclone (fluff) is a waste product that is currently disposed of at a local landfill site.

The shredded metal was separated into ferrous and non ferrous segments by magnets. In 1980, changes were made to the operation so that the non-ferrous metals could be separated into a number of components by means of a liquid process. A rudimentary method was utilized to return liquid wastes from this process for re-use. As the operation was not serviced by sewers, all liquid wastes generated through the shredding and separation process had to be contained on the property. Surface water drainage occurs through natural and man-made land drainage systems.

Ferrous metals products generated at the facility are shipped by rail to a Regina based steel pipe plant with non-ferrous metals being shipped to various other re-processors in Canada and the United States.

The proponent acknowledged that the most common complaint about the Shredder's operation, was the explosions caused principally by gasoline tanks within vehicles which have not been removed and ripped open prior to shredding. There are also occasions when propane tanks from household torches and barbecues are concealed in vehicles and explode upon reaching the shredding equipment.

Information provided by the proponent indicated that as a result of a stringent inspection program, including the tearing open of fuel tanks, explosions had dropped from 79 in 1990 to 23 in 1991. During the first quarter of 1992 five explosions were recorded. (Five complaints were received by the Department of the Environment in 1990. In 1991, two complaints were received.)

In 1991, in an attempt to minimize the number of explosions, an inspector was hired by the Company with the responsibility for checking each vehicle prior to shredding to determine if the gas tank had been removed and/or ripped open. According to the proponent, this vigilance, along with a new Company policy concerning closed steel drums, resulted in explosions being reduced from 79 in 1990 to 23 in 1991. The peak month in 1991 had 4 explosions. In the first quarter of 1992 there were 5 explosions. The General Scrap representative indicated that his company has also worked with vehicle suppliers to ensure that gasoline tanks or other explosive sources are not concealed in vehicles. Financial penalties have been imposed on suppliers who ship vehicles with concealed explosive matter. In the case of vehicles delivered by individuals, the customers are advised to leave the tanks on the vehicles so that they are visible and can be removed and ripped open by Shredder personnel before shredding.

As a part of the program designed to deal with explosions, and reduce their number, clause 6 of the General Scrap and Car Shredder Environment Act Licence requires that inspection logs are kept and explosions reported to the Environment Department within 24 hours.

In addition to gasoline residues, lubricants, coolants and transmission and brake fluids are also released during the shredding process. According to the proponent, these fluids are absorbed into upholstery material, insulation, and other similar byproducts known in the industry as "fluff". "Fluff" is currently a waste product, and disposed of in landfill sites. There is an asphalt pad at the location

where the automobiles are stock-piled before shredding, although no specific liquid collection system exists at this location.

The Proponent advised that ground water wells located in both the shop and office of the Shredder operation had been sampled and that water quality results were typical of the carbonate aquifer. Chemical indicators in the water analysis for color, nitrate and gasoline were below the detection limit for the respective tests.

MANITOBA ENVIRONMENT

Licence 898VC was thoroughly reviewed by the provincial Department of the Environment.

The Department's representative indicated that over a twelve year period, a total of 98 inspections of the Shredder had been undertaken. Seventy percent of these inspections occurred during 1986/1987 and were in response to fires in the fluff pile. The Department laid three separate charges against the Shredder in connection with these fires.

As a result of a recent inspection, the following recommendations were advanced by the Department in connection with the continued operation of the Shredder:

- airborne particulate matter should be limited to 0.23 grams per cubic metre;
- visible emissions should be limited to an opacity of 40%;
- contaminants in seepage or surface drainage from the site should be properly controlled, and;
- additional measures are needed to control explosions;

In addition, during the Department's presentation, a number of new concerns were identified for consideration and further study. These included, a sampling capability to measure particulates; an examination of liquid discharges and their impact on water and soil; a review of mechanisms to minimize explosions; a collection method for ozone depleting substances, and; the identification of a decommissioning process in the event a closure of the operation.

The Department advised they did not have comparative information regarding explosion occurrences from other shredder operations.

In summary, the Department's recommendation was that General Scrap and Car Shredder Ltd. be required to submit a new proposal for licensing under the *The Environment Act*.

RURAL MUNICIPALITY OF SPRINGFIELD

A Councillor from the Rural Municipality of Springfield testified that the area was zoned for industrial use and, until January 1991, had been subject to joint planning by the City of Winnipeg and the Springfield Municipality. The Councillor indicated that prior to 1991, the City could overrule land planning decisions that occurred outside the city but within the "additional zone". It was further stated that the Municipality considered this area as industrial land and would restrict any residential development.

The representative from Springfield stated that the Municipality was satisfied with the operations of General Scrap and Car Shredder, and had received no complaints from residents of the municipality.

CITY OF WINNIPEG

Winnipeg City Councillors from Wards adjacent to the Shredder were present to express their concerns as was a Winnipeg Planning Officer.

The Planning Officer indicated that the salvage yards and Shredder were located outside the City's jurisdiction.

The Councillors were united in their views concerning the Shredder. All indicated that at one time or another they had received calls from constituents with concerns respecting explosions from the Shredder. They all indicated that there was a perception of property damage, such as cracks in foundations of homes and residential swimming pools and broken seals on thermal pane windows, associated with the explosions from the Shredder operation. There was also the suggestion of actual

property devaluation because of explosions and the perception of the impact they might have on property.

The Councillors advised the Commission that, presently, there was a low density of homes within 1 km of the facility on the north side, and a high density of homes located slightly over 1 km from the facility on the south side. It was their feeling that as more subdivision homes were built in these two areas, the number of explosion complaints would increase. They suggested that the issue was primarily one of land use conflict.

It was recognized by all City of Winnipeg representatives that the Shredder was performing a valuable service as a metal recycler. The owner of the Shredder was also commended for his role on the Recycling Council and for his involvement in a joint program with provincial government respecting the collection of chlorofluorohydrocarbons (CFCs).

A number of recommendations were made by the Councillors ranging from facility relocation to the employment of new technologies. There was also a view that increased vigilance could mitigate the shredding of explosive materials. It was suggested that the licence should be reviewed in a public forum at least every 2 years.

INDIVIDUAL AND GROUP PRESENTATIONS

Residents from surrounding subdivisions made representations. All of the concerns they expressed related to explosions from the operation which were considered both a disturbance and the possible cause of property damage. The damage identified by the residents included the development of cracks in foundation walls, swimming pools and driveways, and the failure of thermal pane windows, possibly as a result of the vibrations caused by the explosions. One long time property owner suggested that Canadian Pacific Railway mainline traffic might well be responsible for some of the damaging vibrations.

Comment was received that a difficult situation exists. An industrial operation is located in close proximity to subdivisions whose residents believe they incur additional costs of maintaining their properties because of its presence in the area. They suggest that property values may also be less because of the operation's presence.

HEARING RESUMPTION

A decision was made by the Commission to reconvene the hearing April 13, 1992 to permit Mr. Lazareck, President of General Scrap & Car Shredder Ltd. and the Commission an opportunity to address the Department's March 18th presentation.

At this second session of the hearing, Mr. Lazareck pointed out the environmental importance of recycling and, in particular, the environmental value of his operation. He noted further, that in addition to a closed loop cycle for water in the heavy media plant, the Company was looking at the possibility of closing the loop in the air separation system. Mr. Lazareck indicated that this concept was currently being tested at the General Scrap facilities in both Calgary, Alberta and Thunder Bay, Ontario. If successful, a similar process would be used at the Winnipeg site to manage particulate discharge from the cyclone.

Mr. Lazareck went on to suggest that there would always be explosions from auto shredders, however he suggested that in the case of his company, diligent inspection procedures would be followed in an attempt to reduce their frequency and severity. In connection with these statements, Mr. Lazareck requested information from the Department on their survey of shredders at other locations in terms of explosions.

In response to a question, it was noted by the Department that facility decommissioning plans were an integral part of licenses issued in connection with mining operations. It was also noted that decommissioning clauses were becoming standard in licenses issued for chemical processing and storage facilities and wastewater treatment plants.

A City Councillor and a nearby resident both referred to the inappropriateness of having an industry where explosions can be created in such close proximity to residences. They went on to suggest that even with a reduction in the total number of explosions, concerns would intensify as a result of the expansion of nearby residential neighborhoods.

DISCUSSION

General Scrap and Car Shredder has been operating at its current site since the late 1960's. The business shreds cars as well as other metal materials including rail cars and industrial metal scrap. The ferrous material is reduced, separated and shipped to a recycling plant in Regina, Saskatchewan.

Over the past twenty five years an increasing number of homes have been built within several kilometers of the Shredder. As the number of homes has increased, so to has the number of complaints from residents impacted by explosions originating at the facility. The overriding concern raised at the hearing, by both the public and their elected representatives, was over the frequency and severity of the explosions. A number of homeowners in the area surrounding the operation perceived physical damage to their property and lowered property values as a result of the vibrations caused by the explosions.

The operator of the facility has taken steps to reduce the number of explosions, and, it would appear, has met with some considerable success over the past year.

The Department's concerns included the impact of explosions, but went further to include the conditions on the site, and some of the numerical objectives specified in the current license. The need to provide conditions for "decommissioning" was also identified. The Department's final recommendation was to require the operator to file a new proposal for licensing under *The Environment Act*.

The major cause of public concern was the explosions. Progress has been made in reducing the occurrences to approximately two per month. This appears to be a reasonable level to maintain at this time.

The Commission was also made aware that the licence for a similar shredding operation near Selkirk was scheduled for review in 1992.

RECOMMENDATIONS

1. (a) The owner/operator of General Scrap and Car Shredder Ltd. be advised to prepare and file an *Environment Act Proposal*, as per section 11(6) of The Environment Act, by no later than September 30, 1993. (b) The owner operator should be advised of this requirement prior to the end of September, 1992.

2. Manitoba Environment give attention to the enforcement of Clause #6 of *Environment Act License # 898VC*, issued to General Scrap and Car Shredder Ltd.

3. Manitoba Environment instruct the holder of *Environment Act License # 1202*, issued to MANDAK Metal Processors Ltd., to prepare and file an *Environment Act Proposal* on the same basis as outlined under Recommendation #1, above.

APPENDIX A: LIST OF PARTICIPANTS

Mr. T. Bergman Winnipeg, MB	Mr. Christof Kaufmann Winnipeg, MB	Mr. D. Sesak Winnipeg, MB
Ms. Marie Bilan Winnipeg, MB	Mr. R. Kneale Winnipeg, MB	Ms. Lillian Thomas Winnipeg, MB
Mr. B. Bird Winnipeg, MB	Mr. F. Krivak Winnipeg, MB	Ms. Shirley Timm-Rudolph Winnipeg, MB
Mr. R. Boulay Winnipeg, MB	Mr. Jack Lazareck Winnipeg, MB	Mr. Tom Tonner Selkirk, MB
Mr. Rick Boychuk Winnipeg, MB	Mr. Cliff Lee Winnipeg, MB	Ms. Joyce Triton Winnipeg, MB
Mr. R. Cannon Winnipeg, MB	Mr. S. Loewen Winnipeg, MB	Mr. & Mrs. R. Tyndale Winnipeg, MB
Ms. Marianne Cerilli Winnipeg, MB	Ms. Tracey Lord Winnipeg, MB	
Mr. Don Dubesky Winnipeg, MB	Mr. Don Matheson Winnipeg, MB	
Mr. Terry Duguid Winnipeg, MB	Mr. Charles McCaw Winnipeg, MB	
Mr. Brant Fenske Winnipeg, MB	Ms. Wanda McConnell Winnipeg, MB	
Ms. Dianne Flood Winnipeg, MB	Mr. & Mrs. J. McManaman Winnipeg, MB	
Carole & Glenn Friesen Winnipeg, MB	Mr. H. Merrell Winnipeg, MB	
Mr. & Mrs. Michael Hnatishin Winnipeg, MB	Mr. Don Mitchelson Winnipeg, MB	
Mr. J. Hughes Winnipeg, MB	Mr. Dave Nelson Winnipeg, MB	
Mr. Richard Johns Winnipeg, MB	Mr. L. Norris Winnipeg, MB	
Mr. Ken Jones Winnipeg, MB	Mr. Doug Peterson Winnipeg, MB	

APPENDIX B: LIST OF EXHIBITS

1. Letter, dated May 28, 1991 from **Hon. J. Glen Cummings**, Minister of Environment, Province of Manitoba, to Stan Eagleton, Chairman, Manitoba Clean Environment Commission.
2. Order of the Clean Environment Commission, Number 898VC, dated March 25, 1988.
3. General Scrap and Car Shredder Ltd.: Car Shredder Environment Act Licence. Acres International Limited. Submitted by **General Scrap and Car Shredder**.
4. Brief, untitled, dated March 18, 1992, submitted by Jack Lazareck, P. Eng., **General Scrap and Car Shredder Ltd.**
5. General Scrap and Car Shredder Ltd.: Clean Environment Commission Public Hearing and Review of C.E.C. Licence No. 898VC - Wednesday, March 18, 1992. Submitted by **Manitoba Environment**.
6. Letter, dated March 23, 1992, from **Richard G. Johns**, Environmental Officer, Approvals Branch, Manitoba Environment, to Dale Stewart, Chairman, Manitoba Clean Environment Commission.
7. Notice of Public Hearing, Re: General Scrap and Car Shredder Ltd. Environment Act Licence Review, issued by the **Manitoba Clean Environment Commission**.
8. Brief, untitled, dated April 13, 1992, submitted by Jack Lazareck, P. Eng., **General Scrap and Car Shredder Ltd.**
9. Letter, dated December 6, 1990, from **Larry Strachan**, P.Eng., Director, Environment Act, Manitoba Environment, to Jack Lazareck, P. Eng., President, General Scrap and Car Shredder Ltd.